

RECORDATION NO. 14568-C Filed & Recorded

MAR 31 1987 11-1 0 AM

INTERSTATE COMMERCE COMMISSION

I, Robert F. Hugi, do hereby certify that the attached copy of a Second Amendment to Security Agreement and Financing Statement among Zeigler Coal Company, Certain Subsidiaries of Zeigler Coal Company and Continental Illinois National Bank and Trust Company of Chicago dated as of January 31, 1987 is a true and correct copy of the original.

Robert F. Hugi
Robert F. Hugi
Attorney-at-law

State of Illinois)
) SS.
County of Cook)

Before me on this 26th day of March, 1987 personally appeared before me Robert F. Hugi and acknowledged to me that he executed the foregoing certificate.



Sylvia Helen Angarone
Notary Public

My commission expires:

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INTERSTATE COMMERCE COMMISSION

COPY

SECOND AMENDMENT
TO
SECURITY AGREEMENT AND FINANCING STATEMENT

among

ZEIGLER COAL COMPANY,
CERTAIN SUBSIDIARIES OF ZEIGLER COAL COMPANY

and

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

Dated as of January 31, 1987

SECOND AMENDMENT
TO
SECURITY AGREEMENT AND FINANCING STATEMENT

THIS SECOND AMENDMENT TO SECURITY AGREEMENT AND FINANCING STATEMENT, dated as of January 31, 1987 (this "Amendment"), is among ZEIGLER COAL COMPANY, an Illinois corporation (herein called "Surviving Zeigler Coal"), the subsidiaries of Surviving Zeigler Coal listed on the signature pages hereto (herein, together with Surviving Zeigler Coal, collectively called the "Assignors" and individually called an "Assignor"), and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association (herein called the "Bank").

W I T N E S S E T H:

WHEREAS, a corporate predecessor of Surviving Zeigler Coal and the other Assignors have heretofore entered into with the Bank that certain Security Agreement and Financing Statement, dated as of January 31, 1985 and amended as of December 19, 1985 (as so amended, herein called the "Security Agreement"), to secure, among other things, payment of indebtedness owed or to be owing to the Bank pursuant to the terms of (i) a certain Loan Agreement, dated as of January 31, 1985 and heretofore amended (as amended, herein called the "Loan Agreement"), among Zeigler Coal Holding Company (being the entity referred to as "Holding" in the Security Agreement and being herein referred to by the same term), the predecessor corporations of Surviving Zeigler Coal and the Bank, and (ii) a certain Line of Credit Agreement, dated January 31, 1985 and heretofore extended (as so extended, herein called the "Original Line of Credit"), between Surviving Zeigler Coal and the Bank, including, without limitation, indebtedness evidenced by that certain promissory note made by Surviving Zeigler Coal dated January 31, 1985, in the original principal amount of \$4,000,000, payable to the Bank or its order on demand, bearing interest at the rates provided for therein, and containing provisions for payment of attorneys' fees and acceleration of maturity in the event of default, as therein set forth (said note being the "Demand Note" referred to in the Security Agreement and being herein referred to by the same term);

WHEREAS, Surviving Zeigler Coal is the "Surviving Zeigler Coal" referred to in the Security Agreement;

WHEREAS, the Security Agreement has been filed as set forth in Schedule I hereto;

WHEREAS, the Original Line of Credit has been amended and restated in its entirety pursuant to a certain Amended and Restated Line of Credit Agreement, dated as of January 31, 1987 (herein called the "Restatement"; the Original Line of Credit, as amended and restated by the Restatement, being herein called the "Amended Line of Credit"), between Surviving Zeigler Coal and the Bank;

WHEREAS, pursuant to the Amended Line of Credit, Surviving Zeigler Coal has executed and delivered to the Bank its new promissory note, dated January 31, 1987, in the original principal amount of \$4,000,000 payable to the Bank or its order on or before the earlier to occur of January 31, 1988 or demand, bearing interest at the rates provided for therein, and containing provisions for payment of attorneys' fees and acceleration of maturity in the event of default, as therein set forth (herein called the "Replacement Note"), said Replacement Note evidencing, to the extent of \$4,000,000, a renewal of the principal amount of the Demand Note;

WHEREAS, pursuant to the Amended Line of Credit, the Bank may from time to time accept drafts drawn on the Bank by Surviving Zeigler Coal (collectively, the "Drafts"), the acceptance of which Drafts shall constitute a utilization of the credit which might otherwise be available under the Amended Line of Credit for the making of loans;

WHEREAS, a condition precedent to the effectiveness of the Amended Line of Credit is the execution and delivery of this Amendment; and

WHEREAS, the parties hereto desire to amend the Security Agreement so as, among other things, to include in the Liabilities (as defined in the Security Agreement and used herein with the meaning assigned to such term therein) the Replacement Note, all obligations and liabilities of Surviving Zeigler Coal to the Bank now or hereafter existing under or in connection with each of the Drafts, and all other obligations and liabilities of Surviving Zeigler Coal under the Amended Line of Credit;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties agree as follows:

1. The Replacement Note, all obligations and liabilities of Surviving Zeigler Coal to the Bank now or hereafter existing under or in connection with each of the Drafts and all other obligations and liabilities of Surviving Zeigler Coal under the Amended Line of Credit are hereby made a part of the Liabilities, and the term "Liabilities" shall, when used in the Security Agreement, be deemed to include the Replacement Note, all obligations and liabilities of Surviving Zeigler Coal to the Bank now or hereafter existing under or in connection with each of the Drafts and all other obligations and liabilities of Surviving Zeigler Coal under the Amended Line of Credit as well as and in addition to the items of Liabilities described in the Security Agreement. Each reference in the Security Agreement to the Original Line of Credit shall be deemed to include reference to the Amended Line of Credit. Each reference in the Security Agreement to a Note or the Notes shall be deemed to include a reference to the Replacement Note.

2. All warranties, covenants and agreements contained in the Security Agreement are hereby remade by the Assignors and are in full force and effect as of the date hereof.

3. The indebtedness evidenced by the Demand Note referred to in the Security Agreement is a continuing indebtedness and nothing contained herein or in the Replacement Note or in the Amended Line of Credit shall be construed to deem said note paid or to release or terminate any lien or security interest securing the same.

4. This instrument shall be deemed to be an amendment to the Security Agreement, and as hereby amended, the Security Agreement is in all respects ratified, approved, and confirmed. All references to the Security Agreement shall hereafter be deemed to refer to the Security Agreement as amended hereby.

5. This Amendment shall be deemed to be a contract made under the laws of the State of Illinois and for all purposes shall be construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereto authorized, as of the date first above written.

Address:

ZEIGLER COAL COMPANY

331 Salem Place
Fairview Heights, Illinois 62208
Attention: President

By

Michael K. Reddy
President

Address:

JEFFERSON OIL & GAS
CORPORATION

331 Salem Place
Fairview Heights, Illinois 62208
Attention: President

By

Michael K. Reddy
Title: PRESIDENT

~~Address:~~

~~ZETO INDUSTRIES, INC.~~

~~331 Salem Place
Fairview Heights, Illinois 62208
Attention: President~~

~~By~~

~~Title:~~

Address:

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

231 South LaSalle Street
Chicago, Illinois 60697
Attention: Mining Division

By

Joe C. Greunert
Vice President

SCHEDULE I

A Security Agreement and Financing Statement, dated as of January 31, 1985, executed by Zeigler Coal Company, Jefferson Oil & Gas Corporation, Zeto Industries, Inc. and Continental Illinois National Bank and Trust Company of Chicago, was filed as follows:

<u>Secretary of State</u>	<u>UCC Recording Data</u>
Illinois	1/31/85 - #1960781
Indiana	2/5/85 - #1117235
Colorado	2/5/85 - #773841
Florida	2/5/85 - #1850017044
Kentucky	2/5/85 - #115316
Missouri	2/5/85 - #1162739
Texas	2/5/85 - #85-029764
Iowa	2/5/85 - #H192961
<u>Interstate Commerce Commission</u>	2/4/85 - #14568

A First Amendment to Security Agreement and Financing Statement, dated as of December 19, 1985, between Zeigler Coal Company, certain subsidiaries of Zeigler Coal Company and Continental Illinois National Bank and Trust Company of Chicago, was filed as follows:

<u>Secretary of State</u>	<u>UCC Recording Data</u>
Colorado	1/13/86 - #862531
Florida	1/9/86 - #3860001739
Illinois	1/14/86 - #2091913
Indiana	1/10/86 - #1215892
Iowa	1/6/86 - #H389242
Kentucky	1/6/86 - #115317

Missouri

1/13/86 - #1282092

Texas

2/12/86 - #85-029764

Interstate Commerce
Commission

1/14/86 - #14568-A